School-Based Medicaid Funding
Office of Special Education
September 2017
School-Based Medicaid Funding Overview

- Brief Introduction on School-based Medicaid Claiming
- IEP Direct Services Claiming
- Medicaid Administrative Claiming (MAC) “IndianaMAC”
- Resources
What is Medicaid?

• Health care services provided to eligible low-income children, pregnant women, families, elderly, and disabled individuals.
• The State of Indiana defines the covered health care services that Medicaid will provide.
• Office of Medicaid Policy and Planning administers Indiana’s Medicaid program.
• Jointly funded by the state and federal government.
School-Based Medicaid Claiming

• Two different types of School-based Medicaid Claiming, each paying for entirely different things based on completely different reimbursement methodologies:
  • (1) IEP Direct Services Claiming
    • Pays Medicaid rates for providing covered health-related services in the IEP of a Medicaid-eligible special education student.
  • (2) Medicaid Administrative Claiming (MAC)
    • Pays a portion of the school’s costs for performing administrative activities to help students and families address unmet health needs.

• Participation in both programs is strictly voluntary
  • Schools may participate in one, both, or none
School-Based Medicaid Claiming: Year in Review

• (1) IEP Direct Services Claiming State Fiscal Year 2017
  • 166 school districts participated
  • $15.5 million claimed
  • IPS claimed $1,134,622.20

• (2) Medicaid Administrative Claiming (MAC)
  • 148 school districts participated
  • $4.9 million claimed FFY 2016
    • Projecting to surpass $5 million FFY 2017
School-Based Medicaid Claiming: Charter Schools

• (1) IEP Direct Services Claiming State Fiscal Year 2017
  • 4 Charter Schools participated
  • $10,630.34 recovered

• (2) Medicaid Administrative Claiming (MAC)
  • 37 Charter Schools enrolled in program
School-Based Medicaid Claiming: DOE’s Role

- The DOE works together with the state Medicaid agency
- Recommends state policy, rule, and legislative changes
- Maintains school-friendly technical assistance resources
- Provide on-site technical assistance support for Medicaid-participating public schools
- Monitor State’s IndianaMAC contract
- Serves as a resource on “blended and braided funding” for school-community partnerships and state budgetary purposes
Using Funds Recovered Through Medicaid Claiming

• Proceeds from Medicaid:
  • Not considered program income for purposes of 34 CFR 80.25 with respect to the administration of federal grants and cooperative agreements.
  • Not considered state or local funds for purposes of maintenance of effort provisions. 511 IAC 7-33-4

• Typical Uses of Medicaid Funds:
  • Staffing: therapists, nurses, psychologists
  • Health screenings
  • Mental health services
  • Purchase/update specialized equipment
Which Schools Participate in Medicaid Claiming?

• School Corp Medicaid Reimbursements Report
  • Locate other charter schools that are already participating in either or both programs
  • Best position to provide candid input about the benefits and hassles of participation
  • First section of the report shows IEP Direct Service Reimbursements, total number of Medicaid-enrolled students, and number of special education students per district
  • Last section of the report shows MAC reimbursements and the percent of Medicaid eligible students per district
IEP Direct Services Claiming
IEP Direct Services Claiming:
General Service Requirements

• Schools may access a student’s public insurance benefits to cover the costs of providing **required related services** to that student.

• Reimbursed at Medicaid’s rate for each covered “related” service provided per a Medicaid eligible special education student’s IEP.

• 2 things school’s must do:
  • (1) provide prior written notice; and
  • (2) obtain a signed Medicaid consent. 511 IAC 7-33-4

• There are many options and tools for incorporating and streamlining Medicaid billing into the school’s day-to-day business processes
IEP Direct Services Claiming:
General Service Requirements

• Medicaid will reimburse school corporations only for services that:
  • Are identified in an *eligible* student’s IEP/IFSP,
  • Furnished by a Medicaid-qualified provider, and
  • When applicable, ordered/referred in writing by a physician/other licensed practitioner of the healing arts acting within the scope of his/her state licensure.

• Medicaid requirements including but not limited to: provider qualifications; procedure codes; reimbursement limitations; documentation requirements; and plan of care requirements.
IEP Direct Services Claiming: Medicaid Covered Services

- Occupational Therapy
- Physical Therapy
- Speech Therapy
- Applied Behavioral Analysis (ABA) Therapy
- Hearing Evaluation and Treatment Services
- Nursing Evaluation and Treatment Services
- Behavioral Health Evaluation and Treatment Services
- IEP Required Specialized Transportation
IEP Direct Services Claiming: Common Questions

- Will school Medicaid claiming affect a student’s Medicaid benefits?
  - No, the school’s claims are paid separately from and do not “count” against benefit limitations.

- If the school bills for covered IEP-required services, will Medicaid also pay for other medically necessary services that an outside provider furnishes to the student?
  - Medicaid can pay the school corporation and other providers who furnish services outside the school setting as required to meet the child’s medical needs on a 24/7/365 basis, provided such services are not duplicative.

- I thought the Special Education (IDEA Part B) funds cover the school’s costs to provide IEP-required direct medical services.
  - Historically, Congress funds the Special Education mandate at less than 20% of total costs (the legislation calls for 40% federal/60% state funding).
Medicaid Administrative Claiming (MAC)  
“IndianaMAC”
Medicaid Administrative Claiming (MAC): IndianaMAC

• IndianaMAC allows public schools, including charter schools, to recover unrestricted federal funds
• Reimbursements are paid quarterly
• Gives schools flexibility
  • Unrestricted options available to finance mandated educational services, materials, equipment, professional development, staff and parent training
• Supports schools ability to address, facilitate, and arrange students’ unmet medical, dental, and mental health needs that impede learning
Medicaid Administrative Claiming (MAC): IndianaMAC

- PCG is the statewide vendor for processing all MAC claims.
- Each school must contract directly with PCG for
- 3 core components of Indiana’s federally approved school-based Medicaid Administrative Claiming methodology (“IndianaMAC”):
  - The statewide quarterly Random Moment Time Study (RMTS)
  - The Staff Pool List (SPL)
  - State and Locally Funded MAC Costs (Financials)
Medicaid Administrative Claiming (MAC): Examples of Reimbursable Activities

• Providing information to students and families about available public health care benefits
• Referring a student for mental health diagnostic and treatment services
• Gathering information necessary for service referrals
• Attending meetings or trainings related to Medicaid and medical services
• Developing strategies to improve health service delivery for school-age children
Medicaid Administrative Claiming (MAC): Charter Schools

- 37 of 104 Charter schools enrolled in the program
- Some compliance concerns:
  - Quarterly Financials – late submissions
    - 7 late – 3 were Charter Schools
  - Random Time Moment Study compliance rate
    - Current Rate: 98%
    - Must be at or above 85% compliance rate
    - 129 schools at 100%
    - 1 Charter School: 50%
  - Late submitting Certified Public Expenditure (CPE) Form
    - 3 late – all 3 were Charter Schools
Resources

• Learning Connection – IDOE Medicaid in Schools
• Medicaid Billing Toolkit
  • Nuts and bolts of schools enrollment
  • IEP service billing
  • Licensure/credential requirements
• Medicaid Billing Guidebook
  • High level overview intended as a starting place for schools exploring the possibility of Medicaid claiming participation
• DOE website – Special Education
  • School-based Medicaid web page
• National Alliance for Medicaid in Education (NAME)
Questions?

Stephanie Slone
Complaint Investigator & School-based Medicaid Specialist
317-232-7537
sslone@doe.in.gov